

DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft
ZBW – Leibniz Information Centre for Economics

Bodea, Gabriela; Plopeanu, Aurelian-Petruș; Homocianu, Daniel

Article

On economic change : landmarks of economic modernism

Provided in Cooperation with:

Danubius University of Galati

Reference: Bodea, Gabriela/Plopeanu, Aurelian-Petruș et. al. (2020). On economic change : landmarks of economic modernism. In: EuroEconomica 39 (2), S. 145 - 155.
<https://dj.univ-danubius.ro/index.php/EE/article/download/298/483/>.

This Version is available at:

<http://hdl.handle.net/11159/6247>

Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics
Düsternbrooker Weg 120
24105 Kiel (Germany)
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)
<https://www.zbw.eu/econis-archiv/>

Standard-Nutzungsbedingungen:

Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.

<https://zbw.eu/econis-archiv/termsfuse>

Terms of use:

This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.

On Economic Change: Landmarks of Economic Modernism

Gabriela Bodea¹, Aurelian-Petruș Plopeanu², Daniel Homocianu³

Abstract: Change consists in a noticeable transformation in time, which affects the structure or functioning of the social organization of a community, changing the course of its history. Without being allowed to induce delusions, change imposes development examples for our society, taking on the role of a modernizing agent. The purpose of the present paper is to provide an overview on the process of social modernization via economic, social, cultural and political structures of human communities and government forms, concluding with the fact that modernism is the movement that sets modernization in motion. Our conclusion is that modernism tries to “mask” decadence through innovation, but also considering ‘traditional’ as a reality and not disadvantage. Innovation is necessary as well in order to overcome limits of our past, but it cannot cancel traditions and neither does it have the moral rights to do so.

Keywords: economic and social change; mentality; modernism; progress

JEL Classification: A13; A14; B55; Z10; Z13

1. Argument

Time signifies change. At the same time, change can be achieved and perceived only through time. New and old; equal and unequal; exact and inexact; an eternal competition between the reality of numbers and the delusion they mean everything. This kind of competition requires change. A permanent change: firstly, that of reality; secondly, that of concepts and theories, corresponding to the constantly renewing reality; thirdly, that of individual and social conscience, in accordance to these new concepts and theories. And the cycle can continue, in which case the economic and social systems prove themselves adaptive, in the sense that they can accept that change is useful so long as economy and society head onwards towards modernization and progress.

2. Change: Why? Where From? Where To?

Change consists of “any noticeable transformation over time, which affects the structure or function of a social organization of a chosen community not only temporarily, but also changes the course of its history.” (G. Rocher apud Valade, in Boudon, 1997: 361). Without being allowed to induce delusions, change can invariably impose societal patterns for development. It has the role of modernizing. Modernization (concept dating back to the second half of the 18th century) represents a complex process

¹ Faculty of Economics and Business Administration, Babeș-Bolyai University of Cluj-Napoca., Romania, Corresponding author: gabriela.bodea@econ.ubbcluj.ro.

² Department of Social Sciences and Humanities, Institute of Interdisciplinary Research, Alexandru Ioan Cuza University of Iași, Romania, E-mail: aplopeanu@gmail.com.

³ Faculty of Economics and Business Administration, Alexandru Ioan Cuza University of Iași, Romania, E-mail: daniel.homocianu@gmail.com.



of opening up to new opportunities, towards economic, social and cultural movement. Modernism is nothing but a movement which sets in motion modernization, trying to mask decadence through innovation, but also considering the traditional a reality and not disadvantage. Innovation is necessary as well in order to overcome the limits of our past, but it cannot cancel traditions (and neither does it have the moral rights to do so). It is true that societies are deeply anchored in traditionalism, the path to change is burdened, due to numerous obstacles met: rigidity, rejecting urbanization, denying new needs, etc.

Change mostly means acceptance: those that adapt are the market's players, and a certain situation is the main modifier through a function of adaptation (Boudon, 1984: 276). Indeed, such function proposes interdependence and multiple cause-effect relationships. For example: "Industrialization caused the feeling of a rupture diversely understood/interpreted, of a separation between a before and an after, giving birth to some contrasting strong representations" states Bernard Valade (Valade, in Boudon, 1997: 357). Is change just a rupture between past and future, between new and old? Not at all. However, between multiple registers and bearings in which it operates - both horizontally and vertically, but also combined - change prospects and evaluates in equal measure. There were not few those who concluded, centuries prior, that economic unity imposed by the big industry is not the family, but the factory. This is an argument that, for example, Marx mentioned when he admitted that new work forces constituted the origin of social hysteria in his times, because, as change takes shape in the economic base, at slower or faster pace, a revolution of supra-structures takes place as well (Marx, 1954, p. 9).

Let's see things from an economic, political and doctrinal perspective. Generally, the idea that the switch from a political regime to another happens through revolution is accepted, and an economical system to another one happens through transition. It assumes, by definition, a process, that implies a certain time interval. By comparison, revolution - is fast paced - whereas economic transformation is slow; that is exactly the reason we should not expect overnight wonders. That is also the reason that social consensus is an issue that further impedes economic efficiency which should accompany modernization.

We can exemplify this through the need for transition of ex-communist countries towards market economy which happened a quarter of a century ago. Although the subject has been overly approached in recent decades and should already be somewhat outdated, we believe that the presentation of the arguments to support this idea is still necessary. In a perspective determined by the past of Central-Eastern European countries, it must be accentuated that old political regimes (the socialist-communist ones) and related economic systems, prior to 1990, could no longer resist per se, as their fundamentals had crashed, being on the verge of a real implosion. Hence the necessary objective character for the transition of these systems to the spreading market economy, to the return to capitalism and modernization - as a natural way of evolution to economies. Is there an alternative to what seemed to be an irrevocable option? Theoretically, yes: by reconsidering the centralism-statism from which all began. Basically, however, this was a "closed road", as our democracy couldn't survive outside of capitalism. The rejection of market economy in 1990 would therefore have meant a "fall" into a new autarkic economy - and the change would not have been justified. Let us not forget that only the capitalist economy provides public spaces where individuals, groups and entire complex institutions can grow relatively independent of the state (Berger, 1992, pp. 7-16).



In the economic sphere, the concept of mentality is very often called upon - and especially the necessity for a human and his beliefs to evolve at an equal pace. According to B. F. Skinner (one of the greatest psychologists of the twentieth century), it seems, however, that the mentality does not change only through calls to consciousness, but by changing the context of the stimuli it calls upon (Skinner, 1971). For example: in some places, somewhere at the level of individual mentality uneducated economically, a false perception persists, mainly that everything forbidden by law is an attack to individual liberty. The state was always accepted when establishing the rules of the game. In this sense, Karl Popper states that “without a legislative system nothing can develop except for chaos” (Popper, 1998, p. 50). He states that the state’s actions are decisive in the installation of preliminary conditions of the free market, through the legislative system and the rule of law. This manifestation does not have to be considered as “the state meddling in the market’s affairs”.

However let us also notice the influence of mentality upon change. “Yet every man has a property in his own person” (Locke, 1980, p. 19), (that is work), says John Locke, meaning that the individual is his own master, owner not only over his own identity, but also over his actions and work input. Considering the aforementioned arguments (according to which 50 years of communism lessened an individual’s will to work), this state has also generated a distrust in the advantages of property and in property owners. Often times, the latter are considered veritable “profiteers”, the concept of private property creating a negative notion in the perception of the common individual. The development of private property, of its dimensions, is often seen as an attack on the safety and welfare of others, and the jealousy derived is channeled, unfortunately, in a negative way, towards a destructive demeanor.

Reality teaches us that for society to progress, it is necessary for some to get ahead of others. At the same time inequality serves as a natural stimulant of progress in the same perspective. “The road openers” are those who experiment ways and procedures, taking on risks and hoping for profits in accordance to the risks taken. Others will benefit indirectly from their results as well. It is true that the intellectual and material intakes can create a quasi-monopoly in the short run, but it should never be forgotten, that they fade and are added onto a nation’s experience.

“Creative destruction” (Schumpeter, 1961, pp. 361-389), being a generator of progress, we consider that the basis of such a conception is the private property. It is tested that, from a psychological perspective, “in the world as it is men are, in fact, not likely to give their best for long periods unless their own interests are directly involved.” (Hayek, 2001, p. 129). Therefore, often times, only the imminence of obtaining an advantage will stimulate an individual to become more efficient in his actions. But on the topic of efficiency we can only speak in connection to private property. Only here it becomes possible, as a whole, a rational allocation of resources.

Individuals grasped that temporal evolution and social-economic progress could be generated by competition which “leads to continuous development and efficiency of production”, benefiting those who apply it (Wilcox, 1970: 18). Why? Because overtime, the competition process has become an objective necessity for the market economy, and competition itself has begun not only to mean competition between companies, bidders and products, but also between the most useful means of prosperity as a nation and/or as a person. Here is a useful example when it comes to the world’s evolution towards modernization, through its educational components: from what the historic repertoires state, in the late Middle Ages (14th and 15th centuries), the highest level of European alphabetization was



registered in Catholic states. However, in the year 1750, the situation changed favorably for protestant areas. Concretely, in Great Britain, over 60% of men were well-taught (Graff, 1991:232), whereas in France, one of the most alphabetized Catholic countries - the respective percentage peaked at around 40% (Graff, 1991:194). Comparatively, after a considerable amount of time - at the end of the 18th century, Scotland had a percentage of 88% lettered men that knew how to read and write (alphabetization nearly ended, at a similar level to the one in Sweden, Germany and Switzerland); at the same time, Great Britain registered 65% lettered people, whereas France had 47% (Boia, 2007, pp. 112-113).

Other repertoires of modernization, which have never been considered outdated, are: “reciprocity, moral obligation, duty toward community, and trust, which are based in habit rather than rational calculation. The latter are not anachronisms in a modern society but rather the sine qua non of the latter’s success”. (Fukuyama, 2003, p. 9). In this spirit “If the institutions of democracy and capitalism are to work properly, they must coexist with certain premodern cultural habits that ensure their proper functioning” because, apparently, “Law, contract, and economic rationality provide a necessary but not sufficient basis for both the stability and prosperity of postindustrial societies” (Fukuyama, 2003, p. 9). We offer an example: Francis Fukuyama doubts the simplicity with which neoclassicists generalized and molded human behavior, naming it egotistical and rationally inclined towards maximization of utility. Bringing as an argument the hypothesis of culture, he admits that this develops an individual’s behavior, transmitting virtues and its inter-generational significations as symbols or traditions: “There are ethical habits, such as the ability to associate spontaneously, that are crucial to organizational innovation and therefore to the creation of wealth. Different types of ethical habits are conducive to alternative forms of economic organization and lead to large variation in economic structure. In other words, the greatest utility maximizers may not always be the rational ones; people practicing certain kinds of traditional moral and social virtues in an arational way, and who frequently aim at completely noneconomic goals, may not be as disadvantaged or as confused as modern economists would have us believe.” (Fukuyama, 2003, p. 24).

3. About Economic and Social Change

However, so as not to minimize the huge role of the economical component in the evolution towards a modern world, here is an example of economical orientation of human activity:

- a) The so-called bourgeois spirit that dominated the depth of social strata (Groethuysen, 1927:75) in sixteenth and seventeenth-century France originated in the “new capitalist mentality” of Tuscany, Lombardy, and Flanders in the fourteenth and fifteenth centuries. We note that this economic spirit appears as a form of secularized Christian activism (according to the Benedictine code: “Pray and work”, also used by medieval monasticism and the writings of Thomas Aquinas), with the role of bringing systemic changes in -subsequent social-economic life;
- b) Tradition - we are already used to it - it does not mean what it used to mean in the past. There are new unwritten rules, and the traditional ones are not necessarily agreed / respected. As a follow-up, we notice the change, through a certain regress of social authority;



c) In the 11th century a way of differentiating a new type of economical administration began. Because the natural demographic earnings were very high, and the prod-factor Nature proved itself as insufficient, Cistercian monks chose to settle in places where land was not owned by anybody. They have created habitable places of 500-700 acres, built with the help of employees supervised by a grangiarius, „whose serfdom they thus shook off” (Pirenne, 2006: 69). Rational exploitation of such farms and households, their unity and compact shape, along with the administration and centralized leadership suggested a new model of administrative organization and economical spirit.

From a scientific perspective, since ancient times, economic time and the phenomenon of change have been sources of philosophical “wars”: while Heraclitus argued that everything flows and that everything is becoming, Parmenides and Zeno (representatives of the Elite School) denied the reality of the movement. Aristotle analyzed this development more closely, arguing that over time there is a change of place, quantity and quality. Much later in time, Newtonian mechanics focused on the change of place and quantity, but avoided worrying about qualitative changes in motion. Cosmology itself can be explained starting from two theories: that of the “Big Bang” (which seems to have given birth to the universe), and that which claims that matter is created and destroyed continuously. In comparison, evolutionary theory is supported by the law of entropy - namely by the fact that the latter considers that qualitative changes are constantly taking place in the universe. For example, if any change were reversible, or if any resource used in a production cycle could be reused indefinitely, economic rarity would have no content in the absence of entropy.

The economic development of society has determined the emergence, since ancient times, of the concern to explain the evolution of economic phenomena and processes, to formulate the laws that govern economic life and, in fact, economic knowledge. In fact, according to John Kenneth Galbraith, economics “acquires the image of economic society” (Galbraith, 1982, p. 13), and much of the instrumental function of economics “is a by-product of its history.” (Galbraith, 1982, p. 17).

The current economy is one of causal and problematic convergences, which require various intervention procedures and therapies. There is no uniformity in any economic system and, as such, we do not even notice the identity of the options. It is not necessary that the best will win, but the strongest or the best conformed. In our case, the efficient economic system will be an example for the one with poorer results. As Friedrich Hayek put it, “The conception that the efforts of all should be directed by the opinion of the majority or that a society is better according as it conforms more to the standards of the majority is in fact a reversal of the principle by which civilization has grown. Its general adoption would probably mean the stagnation, if not the decay, of civilization.” (Hayek, 2011, pp. 175-176).

Economic science has crystallized over time, during historical eras, and the best barometer of (a)temporality is the history of economics. Let us not forget that the reconstruction of the past can start, for example, from the Hammurabi Code, which establishes certain rules regarding property rights, loans, interest, salary and even the duration of work. It mirrors the process of centralizing the slave-like state, the proper economic system, and consolidation of private property.

The Bible is an extraordinary source of information for all those who study economics and its historiographic trajectory. It introduces us to some basic elements of economic ideas: it is about inserting - in its mythical-religious background, some considerations dealing with the existence and



evolution of legal codes (the case of inheritance, penalties for various crimes), household and general-agricultural advice (the crops, the parable of the wheat and the tares, etc.), of some true economic-political chronicles (payment for work, raising the donation for the Temple, receiving bribes - "seducing the guards"), of many details and stories related to production, exchange, consumption and division of labor (reminiscent of merchants, fishermen, shepherds). Suggestive are expressions such as: "Buy the field with silver and have the transaction witnessed" (Jeremiah 32, p. 25); "We have paid money for water we drink; our wood is sold unto us" (Jeremiah 5. 4); "Give to him that asketh thee, and from him that would borrow of thee turn not thou away" (Matthew 5, p. 42), etc. The Bible also contains a number of prescriptions in favor of the poor (which today can be incorporated into as many elements of social protection policy). It is still in the Bible that we find the modern idea of economic cycle, in the form of the parable of the seven fat cows and the seven weak cows - respectively the succession of periods of good harvests (economic growth, in today's terms), with those of poor harvests (economic recession), in which people have to survive on the savings they have made in previous years.

For some exponents of economic science, political economy (Mill, in Hausman, 1993, p. 58), the queen of contemporary micro- and macroeconomics - is an abstract science, possible to be researched by a priori methods. In this context, in the opinion of John Stuart Mill, economic science reasons primarily from assumptions and assumed premises, not facts. We specify, however, one thing: even if theoretically, such a presumption can be valid, it is based on partial truths, because it does not consider the concrete-historical reality in which economic facts take place and in which economic laws of various types are verified. The past influences the present and the future, no matter how hard we try to argue against this well-known phrase. That is why economic science assumes its results and contributes to economic and social progress, insofar as it considers the concrete facts of the history of economy. We believe, therefore, that economics can be more accurately researched through the pair of inductive-deductive, logical, and historical methods - and not just through the abstract speculation whose follower is John Stuart Mill (Mill, in Hausman 1993, p. 60).

4. From History to Economic Change

From another perspective, we have known for centuries that economics is a science that involves the study of wealth. Is this remark a prerogative of economists? Of course. But it also has a historical argument. Here are three examples:

A. The first is extremely simple. "From gold to capital": this is how Michel Beaud calls the first part of one of the works that consecrated him (Beaud, 2001, p. 19). In an attempt to appraise on this title and search its depths, we find that we can only be - as economists - in accordance with the author, who admits that sometimes certainties can become simplistic, and assumptions - real events in the close or distant future (Beaud, 2001, p. 12). As a result, we value the economy through what the history of economy offers us.

B. The second is subtler, admitting, through Max Weber (Weber, 2005), that Protestantism tried (preceding the action of other traditional churches) to reconcile Christian dogma with the idea of accumulating wealth. In the scientific sense, this produced unprecedented social changes, as the principles of rational action and democracy (expressed through freedom, equality and fraternity) were



the basis of the innovative outlets imposed on history and society by the Protestant church. On the one hand, wealth is seen, in this context, as divine grace, and on the other hand, it does not exclude the access of the marginalized to social competition. This is how historical reality fraternizes over time with economic and social laws, giving them legitimacy (although apparently these are dissociative).

C. We are followers of the theory according to which the economic system is unstable and, as such, shows a tendency to always move in one direction or another. Meaning the world is changing. Such a behavior, determined by more or less significant disturbances of the economic and social pulse, generates accelerations, delays, interruptions - but in any case, changes in the economic movement. This cyclical alternation envisages a mechanism of fluctuations, which denotes that the economy does not evolve uniformly, but through successive leaps of periods of boom and decline. Specifically, here are some benchmarks of the financial crisis that began in 2007 in the U.S.:

- In general, a crisis, whatever its origin, of any kind - disrupts a country's economy and "throws" it back a level in terms of development, deepening the gaps between "was", "is" and "will be". After decades and sometimes centuries of significant events in the history of the economy, criticisms of past crises remain interpretations, no matter how scientifically based. Many researchers today offer possible solutions to yesterday's crises, but let's not forget that the perspective on the world and business differs over time, as does the world economic situation.

It seems simple to dissect previous crises, find their causes, blame their perpetrators, and say, "No, not like that." It is more difficult to prevent other imbalances and especially not to create more damage than before. We are debating publicly, with some detachment, the mistakes that took place a few decades ago in the financial or real estate markets and services, but we do not sometimes recognize that the present offers solvable errors with huge or even unsolvable risks.

- The international system - as it has been configured in recent decades - will probably be unrecognizable in the perspective of 2025-2030. And until then, the world will go through a risky stage, the transition to a new international system. As the National Intelligence Council foreshadowed, in the near future, the world economy can expect unpleasant shocks and surprises, and its complicated perspective will be increasingly guided by the phrase "More change than continuity." (National Intelligence Council, 2008, p. 3)

- The seismic movements of the economy have not been a novelty for a long time, because the international economic system is not a stable one by definition. And the decade that has passed since 2007 - when the crisis in the U. S. began - changed the coordinates of global stability, showing that the world is fragmented by the interests, power struggles and deprivations that accompany the crisis. The consequences of this crisis still risk being amplified not only by its economic and social components, but also by the geopolitical ones. There is also a risk of implosion of the international financial system, which at times is on the border between self-destruction and forced resistance (with reference to the problems of the euro area).

- From one point of view, the financial crisis that began in 2007 proves to be biased without permission: states, economic branches and individuals go through it at different rates and do not react in the same way. But, at the same time, the crisis makes some borders disappear, because it crosses institutions, borders and personal or group pride. It is true that the crisis raises many questions. We can give answers



to some, but we let the future give us justice or not. Will new players appear in the field of international financial relations? If so or not, how much will the global elite of current winners change? How sinuous will the ascent of the Chinese dragon be, or how supple will the movements of the Indian tiger prove, in comparison with those of the giant American grizzly bear? Virtually, we can leave everything to the economic champion called competition, but we know that economic and political games will inevitably change, denoting a new era: one of social Darwinism, in which those adapted to change will win.

From the facts mentioned above we can see the motivation by which the economy must cooperate with history, because only together, the two research resources provide an anchor that supports reality much more concretely, than each one separately, through their own powers. We exemplify this by the fact that economic science studies, as we well know, the economic systems that have succeeded each other over the ages. Here is a landmark of this study: capitalism, which “is neither a person nor an institution” (Beaud, 2001, p. 153) Of course, it represents an economic system characterized by well-defined elements, from a historical, economic, cultural, religious point of view, etc. But is it always a logical and functional system? From a strictly economic point of view, no. From a historical perspective, not so much. And then why not “link” the economic and historical database, delimiting capitalism? Let’s face it: the phrase “logical and functional” leads us to a concrete mechanism, whose validity influences us in the long run - both as a person, but especially as national economies.

Concerning this aspect, we consider that it is not enough for an idea (in our case capitalism) to influence a person or masses of people, to be considered a value judgment. It is about the connection between necessity and sufficiency, in mathematics or economics. As we learn from I. M. D. Little, you can influence people by seeing the consequences of the moral attitudes they have towards facts, concepts or realities (Little, 2002, pp. 67-83). Consequently, we need confirmations and validations, not just expositions of ideas - either economic or historical.

The causal relations imposed by the economy of change can be revealed from another perspective, that of the reason for the existence of a state. Since immemorial times, relations between the state and the economic sphere have been the subject of heated debate. However, it cannot be said that the phrase “state versus economy” has become obsolete over time; on the contrary, it has emphasized its validity, due to the constant search for optimization of its variants: Adherents of non-state intervention in the economy promote the idea that the economy operates efficiently only in free market conditions and that otherwise, the levers used by government elements are counterproductive and insecure. On the other hand, those who support state intervention express the view that, although imperfect, the policies and tools used by it are necessary for the functioning of the economy. The research of the importance of the state as a distinct economic subject is equivalent to the in-depth study of the role of the public power, of the area of extension of the functions that a certain state (or simply the state institution) assumes. In this context, it is necessary to be aware of whether or not the predominance of the public sector (mainly denoting equity and morality) excludes the possibility of achieving maximum economic efficiency. And we can find this out in more or less recent history.

Over time, the importance of the state in the economic sphere has followed the path marked by several evolutionary stages, including: the director state; the policeman State; the welfare State; the arbitrator State; the manager State; the state guarantor of citizens’ rights; the partner State. In this context, today there is more and more debate about the crisis of the welfare state, “weakened by its own bureaucracy”



(Tourraine apud Didier, 1994: 15). Milton Friedman offers - in this sense - some arguments of the liberal state according to the current period (Friedman, 1995, p. 16), noting that the concrete role of this state must be that of an instrument of power - and not of power itself.

Let us make a few more arguments in favor of social-economic change: In his Treatise on Money, John Maynard Keynes sees the cause of the decline of capitalism in the 1920s “in one out of a large number of features of latter-day society” (Schumpeter, in Hausman, 1993, p. 245) (it is about the vision of “rotting capitalism”, observed by Joseph Schumpeter). A “superficial” critic would say that this is Keynes’s economic conception of capitalism. But - and we bring here two personal counter-arguments - on the one hand, reality can be deduced only from the research of Keynes’s entire work, not being reflected only by its passages; on the other hand, we know that there are contradictions in the works of many scientists (elements of inconsistency which are recognized or not by some of them), hence the originality of their theories. The historical evolution of specialized theories can be useful for us, because it impregnates the elements generated by scientific hypotheses with realism.

Here is another landmark that shows us how we evolve: “Without economic analysis it is not possible rationally to choose between alternative systems of society. We have seen already that if we regard a society which permits inequality of incomes (n. a. – capitalism) as an evil in itself, and an equalitarian society (n. a. - socialism) as presenting an end to be pursued above all other things, then it is illegitimate to regard such a preference as uneconomic. But it is not possible to regard it as rational unless it is formulated with a full consciousness of the nature of the sacrifice which is thereby involved. And we cannot do this unless we understand, not only the essential nature of the capitalistic mechanism, but also the necessary conditions and limitations to which the type of society proposed as a substitute would be subject. It is not rational to will a certain end if one is not conscious of what sacrifice the achievement of that end involves. And, in this supreme weighing of alternatives, only a complete awareness of the implications of modern economic analysis can confer the capacity to judge rationally” (Robbins, in Hausman, 1993, pp. 124-125). This is how rationality must dominate subjectivism, in the idea of defending the values of capitalism and the critique of its avatars. As a result, the common economic-historical argument can balance the scientific ego-centrism of each of the two fractions of truth viewed separately (economic / historical).

The functions of economics take into account - through the laws and rules that coordinate the economic movement - two essential aspects: first, the “perception area”, respectively the cognitive side, the knowledge of economic phenomena and processes, through their own methods or those generally used by science; subsequently, the applicative side, having as primary purpose the satisfaction of human needs (it is, in fact, the connection between needs and interests), and then the maximization of the utility function that actually represents this satisfaction. Both revealed functions involve, in addition to the economic coordinates, a series of historical and legislative aspects, which emphasize their importance, because the framework of the current development of the economy is as complex as possible. The statement is verifiable, considering the phenomenon of globalization of competition - closely related to information technology. A number of endogenous and exogenous factors in relation to the national economy contribute decisively to such a conclusion, such as: differences regarding the historical-geographical, demographic, socio-political, economic, legal, cultural framework - but also differences found within macroeconomic systems.



Max Weber considers that the capitalist enterprise and the entrepreneur had existed and manifested in all the civilizations of the capitalist world, but their particularities were influenced both by the forms and manifestations of capitalism (mainly the economic element) and by their dynamics and magnitude (mainly the historical element). In this spirit, capitalism can be assimilated as being “identical with the pursuit of profit, and forever renewed profit, by means of continuous, rational, capitalistic enterprise” (Weber, 2005, pp. xxxi-xxxii). Nor can we reveal a more successful symbiosis between theory and practice than this interference of historical argumentation (the logical-temporal evolution of capitalism) with the economic one (the orientation of capitalism towards the concept of profitability). Because, in the end, the argument must become the basis for changing economy and society alike.

5. Conclusion

We are four times more productive than our parents, three times the number of our grandparents and five times faster than our great-grandparents (according to Michel Didier). It is a sentence in which, if we operate only with numbers and keep the context, we observe the Great Change from one century to another, from one country to another, from one civilization to another. In essence, it is about the fact that any such statement implies the validation of the same concept: economic and social change. Investigating such issues, we come to Michel Didier’s question: “What are the stakes of economic confrontations between nations?” (Didier, 1994, p. 171). Our answer to such a question can only be linked to the multipolarity of today’s economic world, which no longer allows for the pure economic independence of a state. However, it seems that “the dimension of social change is that of human life,” which “is not measured by the year, but by the century” (Didier, 1994, p. 245) - and here, we believe, is how we prove the return to the early big bang of the historical evolution of economy. Why? Because “Tomorrow’s economy will be less similar to yesterdays. But in a changing landscape, the gears and stakes remain the same. If we examine them carefully, we will see that they always embody the same rules of the game” (Didier, 1994, p. 307).

Of course, no economic system is immutable. The laws of development have always determined - and will continue to do so - the evolution of those systems that prove their viability, to the detriment of those that are exponents of outdated currents of thought. We cannot know whether the capitalist system will be the only winner, but at least for the time being, no other system has shown its superiority. Maybe because the capitalist God (Beaud, 2001, p. 30) established his changing and often deceptive domination over the world.



References

- Beaud, M. (2001). *A History of Capitalism. 1500-1980*. Chisinau: Cartier.
- Berger, P. (1992). The Uncertain Triumph of Democratic Capitalism. *Journal of Democracy*, Vol. 3, No. 3, pp. 7-16.
- Boia, L. (2007). *The West. A Historical Interpretation*. Bucharest: Humanitas.
- Boudon, R. (ed.) (1997). *Traité de Sociologie*. Bucharest: Humanitas.
- Boudon, R. (1984). *La Place du Désordre*. Paris: PUF.
- Didier, M. (1994). *Economy: Rules of the Game*. Bucharest: Humanitas.
- Friedman, M. (1995). *Capitalism and freedom*. Bucharest: Enciclopedica.
- Fukuyama, F. (2003). *Trust: The Social Virtues and the Creation of Prosperity*. Bucharest: Antet XX.
- Galbraith, J. K. (1982). *Economics and the Public Purpose*. Bucharest: Politica.
- Graff, H. J. (1991). *The Legacies of Literacy: Continuities and Contradictions in Western Culture and Society*. Bloomington: Indiana University Press.
- Groethuysen, B. (1927). *Origines de l'Esprit Bourgeois en France*. Paris: Gallimard.
- Hayek, F. (2001). *The Road to Serfdom*. New York: Routledge.
- Hayek, F. (2011). *The Constitution of Liberty: The Definitive Edition*. Chicago: The University of Chicago Press.
- Mill, J. S. (1993). On the Definition and Method of Political Economy. D. M. Hausman (ed.). *The Philosophy of Economics. An Anthology*. Bucharest: Humanitas.
- Little, I. M. D. (2002). *A Critique of Welfare Economics*. New York: Oxford University Press.
- Locke, J. (1980). *Second Treatise of Government*. C. B. Macpherson (ed.). Indianapolis and Cambridge: Hackett Publishing Company.
- Marx, K. (1954). *A Contribution to the Critique of Political Economy*. Bucharest: State Publishing House for Political Literature.
- National Intelligence Council (2008). *Global Trends 2025. A Transformed World*. Washington DC: US Government Printing Office.
- Pirenne, H. (2006). *Economic and Social History of Medieval Europe*. London and New York: Routledge.
- Popper, K. (1998). *The Lesson of this Century*. Bucharest: Nemira.
- Robbins L. in Hausman, D. M. (ed.) (1993). *The Philosophy of Economics. An Anthology*. Bucharest: Humanitas.
- Schumpeter, J. A. in Hausman, D. M. (ed.) (1993). *The Philosophy of Economics. An Anthology*. Bucharest: Humanitas.
- Schumpeter, J. A. (1961). *Capitalisme, Socialisme et Démocratie*. Paris: Payot.
- Skinner, B. F. (1971). *Beyond Freedom and Dignity*. Harmondsworth: Penguin Books.
- Weber, M. (2005). *The Protestant Ethic and the Spirit of Capitalism*. New York: Routledge.
- Wilcox, C. (1970). *Competition and Monopoly in American Industry*. Westport: Greenwood Press.